

#### MICHIGAN NONGAME FISH AND WILDLIFE FUND

Established in 1983, the fund currently operates under Part 439 of P.A. 451 of 1994, as amended. Fund revenues are used to finance research and management of nongame fish and wildlife, designated endangered species, and designated plant species of this State. The fund may receive transfers from other funds, donations, investment income, and revenue from specialty license plate sales.

#### FOREST DEVELOPMENT FUND

This fund was established in 1993, along with the Michigan Forest Finance Authority, and presently operates under Part 505 of P.A. 451 of 1994, as amended. The Authority is authorized to acquire standing timber, timber cutting rights, and the State's interest in contracts granting cutting rights on State tax reverted lands and on other lands in the State forest system. Revenues are derived from the sale of forest products, and are pledged to provide debt service on any bonds or notes that might be issued by the Authority. Revenues not used for debt service are major funding sources for the Forest Management Division and are used for forest management operations and practices. The Authority may, but thus far has not, issued bonds.

#### MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND

The Michigan Underground Storage Tank Financial Assurance Fund (MUSTFA) was established in P.A. 518 of 1988 to assist certain owners and operators of underground storage tank systems in meeting their financial responsibility requirements provided for in the Solid Waste Disposal Act. The Department of Environmental Quality and an eleven-member advisory board administer the fund.

The primary source of revenues is an environmental protection regulatory fee of 7/8 cent per gallon imposed on all refined petroleum products sold for resale. Expenditures are primarily amounts spent to assist in environmental cleanup. Public Acts 252 and 269 of 1995 limit the fund's liability to claims received by June 29, 1995. The State's liability for environmental cleanup claims is further limited by law to the amount of available resources.

#### BOTTLE DEPOSITS FUND

This fund was created in P.A. 384 of 1996 to provide for the disposition of unredeemed bottle deposits. The Department of Treasury and the Department of Environmental Quality jointly administer the fund. The law mandates that an annual distribution of the funds be made as follows: 25% returned to the dealers and 75% to fund several sub-funds.

The 75% distribution to the Department of Environmental Quality is initially deposited into the Cleanup and Redevelopment Trust Sub-Fund (CRTF), and if not further distributed, remains there until the principal amount reaches \$200 million. Of funds received annually by the CRTF, 80% is allocated to the Cleanup and Redevelopment Sub-Fund (CRF) and 10% to the Community Pollution Prevention Sub-Fund (CPPF).

Public Act 380 of 1996 moved the former Environmental Response Fund (ERF) to a sub-fund of the CRF. The law mandates that proceeds of all cost recovery actions taken and settlements entered into pursuant to the ERF (excluding natural resource damages) by the department or the Attorney General, or both, shall be credited to the ERF.

**Michigan**

**COMBINING BALANCE SHEET**

**SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED**

SEPTEMBER 30, 2002

(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
<b>ASSETS</b>					
Current Assets:					
Cash	\$ 2	\$ 3	\$ -	\$ 15	\$ 54
Equity in common cash	29,168	62,331	4,015	12,053	13,481
Taxes, interest, and penalties receivable	-	280	-	-	-
Amounts due from other funds	-	-	-	-	-
Amounts due from federal agencies	972	-	257	-	-
Amounts due from local units	-	-	-	-	-
Inventories	-	47	-	-	-
Securities lending collateral	-	-	-	4,843	-
Other current assets	4,090	9	-	1,868	872
Total Current Assets	<u>34,233</u>	<u>62,670</u>	<u>4,272</u>	<u>18,780</u>	<u>14,408</u>
Taxes, interest, and penalties receivable	-	197	-	-	-
Amounts due from local units	-	-	-	-	-
Investments	1,768	-	-	80,970	-
Other noncurrent assets	-	-	-	-	-
Total Assets	<u>\$ 36,000</u>	<u>\$ 62,867</u>	<u>\$ 4,272</u>	<u>\$ 99,749</u>	<u>\$ 14,408</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Warrants outstanding	\$ 477	\$ 185	\$ 177	\$ -	\$ 338
Obligations under security lending	-	-	-	4,843	-
Accounts payable and other liabilities	3,722	3,370	2,893	-	2,357
Amounts due to other funds	176	36	2	-	96
Deferred revenue	-	-	-	-	710
Total Current Liabilities	<u>4,375</u>	<u>3,592</u>	<u>3,073</u>	<u>4,843</u>	<u>3,501</u>
Long-Term Liabilities:					
Deferred revenue	-	197	-	-	-
Total Liabilities	<u>4,375</u>	<u>3,789</u>	<u>3,073</u>	<u>4,843</u>	<u>3,501</u>
Fund Balances:					
Reserves for:					
Budgetary Carry-Forwards:					
Encumbrances	2,705	10,903	124	-	682
Restricted revenues	11,563	6,955	-	-	300
Multi-year projects	1,000	30,273	-	-	4,218
Revolving loan programs	-	-	-	-	-
Funds held as permanent investments	1,891	-	-	88,906	-
Total Reserved	<u>17,160</u>	<u>48,131</u>	<u>124</u>	<u>88,906</u>	<u>5,200</u>
Unreserved	<u>14,466</u>	<u>10,948</u>	<u>1,076</u>	<u>6,000</u>	<u>5,707</u>
Total Fund Balances	<u>31,626</u>	<u>59,079</u>	<u>1,200</u>	<u>94,906</u>	<u>10,907</u>
Total Liabilities and Fund Balances	<u>\$ 36,000</u>	<u>\$ 62,867</u>	<u>\$ 4,272</u>	<u>\$ 99,749</u>	<u>\$ 14,408</u>

**Michigan**

COMBINED RECREATION BOND FUND- LOCAL PROJECTS	COMBINED ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	FOREST DEVELOPMENT FUND	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	BOTTLE DEPOSITS FUND	TOTALS  SEPTEMBER 30, 2002
\$ -	\$ -	\$ -	\$ 13	\$ -	\$ 45	\$ 133
10,838	-	1,526	11,503	1,976	118,534	265,426
-	-	-	-	6,377	-	6,657
-	-	-	-	1,000	34,020	35,020
-	-	-	377	-	-	1,606
-	380	-	-	-	-	380
-	-	-	-	-	-	47
-	-	-	-	-	-	4,843
-	2	86	10	8	4,438	11,383
10,838	382	1,612	11,903	9,361	157,037	325,497
-	-	-	-	124	-	321
-	-	-	-	-	4,642	4,642
-	-	5,053	-	-	-	87,791
-	-	-	-	-	437	437
\$ 10,838	\$ 382	\$ 6,666	\$ 11,903	\$ 9,485	\$ 162,117	\$ 418,688
\$ 976	\$ 656	\$ 7	\$ 97	\$ 53	\$ 1,317	\$ 4,284
-	-	-	-	-	-	4,843
10,265	34,060	98	2,947	224	6,142	66,078
1	34,023	1	61	5,290	4	39,691
-	-	-	13	1,100	373	2,197
11,242	68,739	106	3,118	6,667	7,836	117,092
-	-	-	-	124	437	758
11,242	68,739	106	3,118	6,791	8,273	117,850
-	-	82	558	239	2,739	18,033
-	-	-	-	1,627	118,910	139,356
-	-	-	828	5,000	10,669	51,987
-	-	-	-	-	5,473	5,473
-	-	6,060	-	-	16,052	112,909
-	-	6,142	1,386	6,866	153,843	327,758
(404)	(68,357)	417	7,399	(4,172)	-	(26,920)
(404)	(68,357)	6,559	8,785	2,694	153,843	300,837
\$ 10,838	\$ 382	\$ 6,666	\$ 11,903	\$ 9,485	\$ 162,117	\$ 418,688

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
<b>REVENUES</b>					
Taxes	\$ -	\$ 344	\$ -	\$ -	\$ -
From federal agencies	2,341	289	-	-	-
From licenses and permits	49,052	7,020	5,144	-	31,163
Miscellaneous	2,380	2,116	114	12,012	575
Total Revenues	53,773	9,769	5,258	12,012	31,738
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Conservation, environment, recreation, and agriculture	55,064	22,717	7,011	53	29,233
Health services	-	-	-	-	-
Capital outlay	5,693	6,022	-	-	3,351
Total Expenditures	60,756	28,739	7,011	53	32,585
Excess of Revenues over (under) Expenditures	(6,984)	(18,971)	(1,754)	11,959	(847)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds and notes issued	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Transfers from other funds	11,467	14,927	1	-	-
Transfers to other funds	(1,579)	(418)	(1,120)	(11,478)	(212)
Total Other Financing Sources (Uses)	9,887	14,509	(1,119)	(11,478)	(212)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	2,904	(4,462)	(2,873)	481	(1,059)
Fund Balances - Beginning of fiscal year	28,722	63,541	4,073	94,424	11,966
Fund Balances - End of fiscal year	\$ 31,626	\$ 59,079	\$ 1,200	\$ 94,906	\$ 10,907

# Michigan

COMBINED RECREATION BOND FUND- LOCAL PROJECTS	COMBINED ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	FOREST DEVELOPMENT FUND	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	BOTTLE DEPOSITS FUND	TOTALS  SEPTEMBER 30, 2002
\$ -	\$ -	\$ -	\$ -	\$ 60,514	\$ -	\$ 60,858
-	-	7	384	-	-	3,020
-	-	-	1	-	-	92,380
381	2,600	646	23,156	37	32,083	76,099
381	2,600	652	23,541	60,551	32,083	232,357
-	-	-	-	326	-	326
20,046	85,761	772	22,702	3,443	25,359	272,162
-	1,435	-	-	-	-	1,435
-	-	-	173	-	-	15,239
20,046	87,197	772	22,875	3,769	25,359	289,162
(19,666)	(84,597)	(119)	666	56,782	6,724	(56,805)
30,353	5,000	-	-	-	-	35,353
2,361	-	-	-	-	-	2,361
-	-	-	-	4,000	-	30,394
(3)	(21)	(6)	(147)	(66,451)	(151)	(81,585)
32,712	4,979	(6)	(147)	(62,451)	(151)	(13,477)
13,046	(79,618)	(125)	519	(5,669)	6,573	(70,282)
(13,450)	11,261	6,684	8,266	8,363	147,270	371,119
\$ (404)	\$ (68,357)	\$ 6,559	\$ 8,785	\$ 2,694	\$ 153,843	\$ 300,837

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**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED**  
FISCAL YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)

<u>Statutory/Budgetary Basis</u>	GAME AND FISH PROTECTION FUND			MICHIGAN STATE WATERWAYS FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 344	\$ 344	\$ -
From federal agencies	2,341	2,341	-	289	289	-
From licenses and permits	49,052	49,052	-	7,020	7,020	-
Miscellaneous	2,380	2,380	-	2,116	2,116	-
Transfers in	11,467	11,467	-	14,927	14,927	-
Total Revenues and Other Sources	65,240	65,240	-	24,695	24,695	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Natural Resources	69,161	65,041	4,120	40,320	40,060	260
Total Expenditures, Transfers Out and Encumbrances	69,161	65,041	4,120	40,320	40,060	260
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (3,922)</u>	<u>198</u>	<u>\$ 4,120</u>	<u>\$ (15,625)</u>	<u>(15,365)</u>	<u>\$ 260</u>
Reconciling Items:						
Encumbrances at September 30		2,705			10,903	
Funds not annually budgeted		-			-	
Net Reconciling Items		<u>2,705</u>			<u>10,903</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>2,904</u>			<u>(4,462)</u>	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		<u>28,722</u>			<u>63,541</u>	
Ending balances (GAAP Basis)		<u>\$ 31,626</u>			<u>\$ 59,079</u>	

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MARINE SAFETY FUND			STATE PARK IMPROVEMENT FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,144	5,144	-	31,163	31,163	-
114	114	-	575	575	-
<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,259	5,259	-	31,738	31,738	-
<u>8,258</u>	<u>8,255</u>	<u>3</u>	<u>33,654</u>	<u>33,479</u>	<u>174</u>
8,258	8,255	3	33,654	33,479	174
<u>\$ (3,000)</u>	<u>(2,997)</u>	<u>\$ 3</u>	<u>\$ (1,916)</u>	<u>(1,742)</u>	<u>\$ 174</u>
	124			682	
	<u>-</u>			<u>-</u>	
	124			682	
	<u>(2,873)</u>			<u>(1,059)</u>	
	4,073			11,966	
<u>\$ 1,200</u>			<u>\$ 10,907</u>		

This schedule continued on next page.

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - CONSERVATION, ENVIRONMENT, AND RECREATION RELATED (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)

Statutory/Budgetary Basis	MICHIGAN NONGAME FISH AND WILDLIFE FUND			FOREST DEVELOPMENT FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From federal agencies	7	7	-	384	384	-
From licenses and permits	-	-	-	1	1	-
Miscellaneous	646	646	-	23,156	23,156	-
Transfers in	-	-	-	-	-	-
Total Revenues and Other Sources	652	652	-	23,541	23,541	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Natural Resources	1,026	860	166	26,615	23,580	3,035
Total Expenditures, Transfers Out and Encumbrances	1,026	860	166	26,615	23,580	3,035
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (374)</u>	<u>(207)</u>	<u>\$ 166</u>	<u>\$ (3,074)</u>	<u>(39)</u>	<u>\$ 3,035</u>
Reconciling Items:						
Encumbrances at September 30		82			558	
Funds not annually budgeted		-			-	
Net Reconciling Items		<u>82</u>			<u>558</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>(125)</u>			<u>519</u>	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		6,684			8,266	
Ending balances (GAAP Basis)		<u>\$ 6,559</u>			<u>\$ 8,785</u>	



# Michigan

## FUNDS NOT ANNUALLY BUDGETED

GAME AND FISH PROTECTION TRUST FUND	COMBINED RECREATION BOND FUND- LOCAL PROJECTS	COMBINED ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FUND	BOTTLE DEPOSITS FUND	TOTALS		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344	\$ 344	\$ -
-	-	-	-	-	3,020	3,020	-
-	-	-	-	-	92,380	92,380	-
-	-	-	-	-	28,987	28,987	-
-	-	-	-	-	26,394	26,394	-
-	-	-	-	-	151,124	151,124	-
-	-	-	-	-	179,034	171,275	7,759
-	-	-	-	-	179,034	171,275	7,759
-	-	-	-	-	<u>\$ (27,909)</u>	(20,151)	<u>\$ 7,759</u>
-	-	-	-	-		15,055	
481	13,046	(79,618)	(5,669)	6,573		(65,186)	
481	13,046	(79,618)	(5,669)	6,573		(50,131)	
481	13,046	(79,618)	(5,669)	6,573		(70,282)	
94,424	(13,450)	11,261	8,363	147,270		371,119	
<u>\$ 94,906</u>	<u>\$ (404)</u>	<u>\$ (68,357)</u>	<u>\$ 2,694</u>	<u>\$ 153,843</u>		<u>\$ 300,837</u>	



## SPECIAL REVENUE FUNDS – REGULATORY AND ADMINISTRATIVE RELATED

### MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND

Public Act 1 of 1936 (Extra Session) created this fund to account for administrative costs of the Bureau of Worker's and Unemployment Compensation, which is administered by the Department of Consumer and Industry Services. The fund derives most of its revenue from federal grants. It also receives transfers from the Michigan Employment Security Act Contingent Fund (reported as part of the Michigan Unemployment Compensation Funds, an enterprise fund). Expenditures for administration are subject to legislative appropriation.

Unemployment benefit payments to individuals are made directly from funds accumulated from employer premiums. These activities are reported in the Michigan Unemployment Compensation Funds.

### SAFETY EDUCATION AND TRAINING FUND

Public Act 154 of 1974, as amended, imposes an annual levy on each insurance carrier licensed to write workers' disability compensation business in the State and on each self-insured employer. Public Act 24 of 1977 established the Safety Education and Training Fund to receive these assessments for support of the Department of Consumer and Industry Service's Safety Education and Training Division.

### UNINSURED EMPLOYERS' SECURITY FUND

Under P.A. 198 of 1993, this fund succeeded the former Workplace Health and Safety Fund. This fund provided workers' compensation benefits to employees injured on or after June 29, 1990 (and for related claims administration), where their employer failed to provide coverage for them. This fund was closed in fiscal year 1999-2000 in accordance with P.A. 357 of 1996 and sufficient equity in common cash was retained to cover the remaining liabilities. During fiscal year 2001-2002, the remaining unused cash was transferred to the General Fund.

### STATE CONSTRUCTION CODE FUND

Public Act 230 of 1972, as amended, created the State Construction Code Fund. Fees received for building permit applications and other funds collected under this act are appropriated by the Legislature for the operation of the Department of Consumer and Industry Service's Bureau of Construction Codes and related indirect overhead expenditures.

### HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND

Established by P.A. 497 of 1980, the Homeowner Construction Lien Recovery Fund allows contractors, subcontractors, suppliers, and laborers to collect payments for work done if they have not been paid, despite filing a residential lien. The fund is self-sustaining and is financed by fees assessed on builders, electrical and plumbing contractors, and laborers.

### STATE CASINO GAMING FUND

Created by P.A. 69 of 1997, this fund provides the licensing, regulation, and control of casino gaming activities in Michigan. The five-member gaming control board is vested with the authority for licensing, regulating, and controlling casino gaming operations; manufacturers and distributors of gaming equipment and supplies; and persons who participate in gaming. Activities financed by casino gaming revenue are legally restricted for specific purposes.

### SECOND INJURY FUND

Public Act 317 of 1969, as amended, created the Second Injury Fund to insure carriers and self-insured employers against certain workers' compensation losses. The administrator, appointed by the fund's Board of Trustees, supervises the fund. The fund's revenue consists of assessments, calculated under provisions of the act, which are assessed to insurance carriers and self-insured employers licensed or authorized in Michigan.

### SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND

Established by P.A. 317 of 1969, as amended, the Silicosis, Dust Disease, and Logging Industry Compensation Fund reimburses insurance carriers who pay benefits to employees injured from certain dust diseases, and employees who have sustained personal injury or death while being employed in the logging industry. Revenues are generated through annual assessments of insurance carriers.

### SELF-INSURERS' SECURITY FUND

Established by P.A. 317 of 1969, as amended, the Self-Insurers' Security Fund pays workers' compensation benefits to injured employees of insolvent, private self-insured employers. Revenues are generated through annual assessments of insurance carriers.

### UTILITY CONSUMER REPRESENTATION FUND

Established by P.A. 304 of 1982, as amended, the Utility Consumer Representation Fund provides funding, on behalf of residential gas, fuel, and electric customers, for energy cost recovery hearings before the Michigan Public Service Commission. Revenues are generated through annual assessments of regulated utility companies.

**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND	SAFETY EDUCATION AND TRAINING FUND	STATE CONSTRUCTION CODE FUND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 5	\$ -	\$ -	\$ -
Equity in common cash	-	4,200	12,496	1,972
Amounts due from other funds	11,818	-	-	-
Amounts due from federal agencies	10,038	-	-	-
Other current assets	246	14	129	-
Total Current Assets	<u>22,107</u>	<u>4,214</u>	<u>12,626</u>	<u>1,972</u>
Total Assets	<u>\$ 22,107</u>	<u>\$ 4,214</u>	<u>\$ 12,626</u>	<u>\$ 1,972</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ 366	\$ 75	\$ 13	\$ 4
Accounts payable and other liabilities	6,149	194	323	42
Amounts due to other funds	15,592	14	28	-
Deferred revenue	-	-	-	-
Total Current Liabilities	<u>22,107</u>	<u>284</u>	<u>364</u>	<u>46</u>
Total Liabilities	<u>22,107</u>	<u>284</u>	<u>364</u>	<u>46</u>
Fund Balances:				
Reserves for:				
Budgetary carry-forwards:				
Encumbrances	-	90	61	17
Restricted revenues	-	-	-	-
Total Reserved	<u>-</u>	<u>90</u>	<u>61</u>	<u>17</u>
Unreserved	<u>-</u>	<u>3,839</u>	<u>12,201</u>	<u>1,909</u>
Total Fund Balances	<u>-</u>	<u>3,930</u>	<u>12,262</u>	<u>1,926</u>
Total Liabilities and Fund Balances	<u>\$ 22,107</u>	<u>\$ 4,214</u>	<u>\$ 12,626</u>	<u>\$ 1,972</u>

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STATE CASINO GAMING FUND	SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	TOTALS
					SEPTEMBER 30, 2002
\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 13
4,813	21,170	3,043	6,681	2,809	57,185
-	-	-	-	-	11,818
-	-	-	-	-	10,038
121	178	36	87	-	811
<u>4,942</u>	<u>21,348</u>	<u>3,079</u>	<u>6,768</u>	<u>2,809</u>	<u>79,865</u>
<u>\$ 4,942</u>	<u>\$ 21,348</u>	<u>\$ 3,079</u>	<u>\$ 6,768</u>	<u>\$ 2,809</u>	<u>\$ 79,865</u>
\$ 19	\$ 475	\$ 42	\$ 28	\$ -	\$ 1,022
586	3,389	940	372	94	12,090
26	5	2	2	1	15,669
20	2,539	528	1,089	-	4,176
<u>650</u>	<u>6,408</u>	<u>1,512</u>	<u>1,491</u>	<u>95</u>	<u>32,958</u>
650	6,408	1,512	1,491	95	32,958
222	-	-	-	-	390
3,462	-	-	-	-	3,462
<u>3,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,852</u>
607	14,940	1,567	5,277	2,714	43,055
4,292	14,940	1,567	5,277	2,714	46,907
<u>\$ 4,942</u>	<u>\$ 21,348</u>	<u>\$ 3,079</u>	<u>\$ 6,768</u>	<u>\$ 2,809</u>	<u>\$ 79,865</u>

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND	SAFETY EDUCATION AND TRAINING FUND	UNINSURED EMPLOYERS' SECURITY FUND	STATE CONSTRUCTION CODE FUND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND
<b>REVENUES</b>					
From federal agencies	\$ 120,040	\$ -	\$ -	\$ -	\$ -
From services	-	-	-	5	-
From licenses and permits	-	-	-	8,095	-
Miscellaneous	95	6,971	479	277	429
Total Revenues	120,136	6,971	479	8,378	429
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Labor, commerce, and regulatory	133,640	6,521	-	10,287	1,019
Debt Service:					
Capital lease payments	820	-	-	-	-
Total Expenditures	134,461	6,521	-	10,287	1,019
Excess of Revenues over (under) Expenditures	(14,325)	450	479	(1,909)	(590)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital lease acquisitions	2,804	-	-	-	-
Transfers from other funds	13,371	-	-	-	-
Transfers to other funds	(1,850)	(48)	(479)	(95)	(17)
Total Other Financing Sources (Uses)	14,325	(48)	(479)	(95)	(17)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	402	-	(2,004)	(607)
Fund Balances - Beginning of fiscal year	-	3,528	-	14,266	2,533
Fund Balances - End of fiscal year	\$ -	\$ 3,930	\$ -	\$ 12,262	\$ 1,926

# Michigan

STATE CASINO GAMING FUND	SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	TOTALS SEPTEMBER 30, 2002
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,040
-	-	-	-	-	6
513	-	-	-	-	8,609
28,010	18,322	2,395	7,127	1,012	65,117
28,524	18,322	2,395	7,127	1,012	193,772
13,871	-	-	-	215	14,086
-	23,694	3,751	5,341	277	184,531
-	-	-	-	-	820
13,871	23,694	3,751	5,341	492	199,437
14,652	(5,372)	(1,356)	1,785	520	(5,665)
-	-	-	-	-	2,804
-	-	-	763	-	14,134
(20,947)	(19)	(8)	(306)	(3)	(23,773)
(20,947)	(19)	(8)	457	(3)	(6,834)
(6,294)	(5,391)	(1,363)	2,243	516	(12,500)
10,586	20,331	2,931	3,034	2,198	59,407
\$ 4,292	\$ 14,940	\$ 1,567	\$ 5,277	\$ 2,714	\$ 46,907

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED**

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

Statutory/Budgetary Basis	MICHIGAN EMPLOYMENT SECURITY ACT - ADMINISTRATION FUND			SAFETY EDUCATION AND TRAINING FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
From federal agencies	\$ 120,040	\$ 120,040	\$ -	\$ -	\$ -	\$ -
From services	-	-	-	-	-	-
From licenses and permits	-	-	-	-	-	-
Miscellaneous	95	95	-	6,971	6,971	-
Transfers in	13,371	13,371	-	-	-	-
Total Revenues and Other Sources	133,506	133,506	-	6,971	6,971	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Consumer and Industry Services	133,506	133,506	-	7,234	6,659	574
Treasury	-	-	-	-	-	-
Total Expenditures, Transfers Out, and Encumbrances	133,506	133,506	-	7,234	6,659	574
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ -	-	\$ -	\$ (263)	311	\$ 574
Reconciling Items:						
Encumbrances at September 30		-			90	
Funds not annually budgeted		-			-	
Net Reconciling Items		-			90	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		-			402	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		-			3,528	
Ending balances (GAAP Basis)		\$ -			\$ 3,930	



# Michigan

STATE CONSTRUCTION CODE FUND			HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	5	-	-	-	-
8,095	8,095	-	-	-	-
277	277	-	429	429	-
-	-	-	-	-	-
<u>8,378</u>	<u>8,378</u>	<u>-</u>	<u>429</u>	<u>429</u>	<u>-</u>
11,386	10,442	944	1,535	1,053	482
-	-	-	-	-	-
<u>11,386</u>	<u>10,442</u>	<u>944</u>	<u>1,535</u>	<u>1,053</u>	<u>482</u>
<u>\$ (3,008)</u>	<u>(2,065)</u>	<u>\$ 944</u>	<u>\$ (1,106)</u>	<u>(624)</u>	<u>\$ 482</u>
	61			17	
	-			-	
	<u>61</u>			<u>17</u>	
	(2,004)			(607)	
	14,266			2,533	
<u>\$ 12,262</u>			<u>\$ 1,926</u>		

This schedule continued on next page.

# Michigan

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)

<u>Statutory/Budgetary Basis</u>	STATE CASINO GAMING FUND		
	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>			
From federal agencies	\$ -	\$ -	\$ -
From services	-	-	-
From licenses and permits	513	513	-
Miscellaneous	28,010	28,010	-
Transfers in	-	-	-
Total Revenues and Other Sources	<u>28,524</u>	<u>28,524</u>	<u>-</u>
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>			
Consumer and Industry Services	-	-	-
Treasury	35,061	35,040	21
Total Expenditures, Transfers Out, and Encumbrances	<u>35,061</u>	<u>35,040</u>	<u>21</u>
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (6,538)</u>	<u>(6,516)</u>	<u>\$ 21</u>
Reconciling Items:			
Encumbrances at September 30		222	
Funds not annually budgeted		<u>-</u>	
Net Reconciling Items		<u>222</u>	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		<u>(6,294)</u>	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balances		<u>10,586</u>	
Ending balances (GAAP Basis)		<u>\$ 4,292</u>	

# Michigan

## FUNDS NOT ANNUALLY BUDGETED

SECOND INJURY FUND	SILICOSIS, DUST DISEASE, AND LOGGING INDUSTRY COMPENSATION FUND	SELF-INSURERS' SECURITY FUND	UTILITY CONSUMER REPRESENTATION FUND	TOTALS		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ 120,040	\$ 120,040	\$ -
-	-	-	-	6	6	-
-	-	-	-	8,609	8,609	-
-	-	-	-	35,782	35,782	-
-	-	-	-	13,371	13,371	-
-	-	-	-	177,807	177,807	-
-	-	-	-	153,661	151,661	2,000
-	-	-	-	35,061	35,040	21
-	-	-	-	188,723	186,701	2,022
-	-	-	-	<u>\$ (10,916)</u>	<u>(8,894)</u>	<u>\$ 2,022</u>
-	-	-	-		390	
(5,391)	(1,363)	2,243	516		(3,996)	
(5,391)	(1,363)	2,243	516		(3,606)	
(5,391)	(1,363)	2,243	516		(12,500)	
20,331	2,931	3,034	2,198		59,407	
<u>\$ 14,940</u>	<u>\$ 1,567</u>	<u>\$ 5,277</u>	<u>\$ 2,714</u>		<u>\$ 46,907</u>	



## SPECIAL REVENUE FUNDS – OTHER STATE FUNDS

### SCHOOL BOND LOAN FUND

Article 9, Section 16, of the State Constitution, P.A. 74 of 1955, and P.A. 112 of 1961 authorized the issuance of State general obligation bonds to provide funds for loans to school districts. Loans are made for the payment of principal and interest on school district bonds under prescribed circumstances. State bond proceeds are credited to the fund as an "Other Financing Source." When loans are made, transfers are recorded to the General Fund, which receives loan payments and provides financing for debt service. In the General Fund, loans receivable are recorded as assets.

### TOBACCO SETTLEMENT TRUST FUND

Public Act 489 of 2000 created this fund to account for a portion of the revenue from the master settlement agreement between tobacco manufacturers and the State. The settlement reimburses the State for health care costs, which result from the use of tobacco products. Fund expenditures are used for a variety of programs as determined by the Legislature.

### MICHIGAN MERIT AWARD TRUST FUND

This fund was created by P.A. 94 of 1999 to account for a portion of the revenue from the master settlement agreement between tobacco manufacturers and the State. The settlement reimburses the State for health care costs, which result from the use of tobacco products. The fund also consists of interest and earnings from trust fund investments and donations. Fund expenditures are primarily used for the Michigan Merit Award Scholarship Program.

### ASSIGNED CLAIMS FACILITY AND PLAN FUND

Michigan Compiled Laws Section 500.3171 requires the Secretary of State to organize and maintain the Assigned Claims Facility and Plan Fund to provide personal protection insurance benefits to persons injured by uninsured motorists, when coverage is not available from other sources. The Facility administers the Plan through servicing insurers. Assessments to self-insurers and no-fault insurers cover the costs incurred by the Facility and Plan.

### MISCELLANEOUS SPECIAL REVENUE FUNDS

The miscellaneous special revenue funds column reflects the activities of the following funds: Vietnam Veterans' Memorial Monument, Children's Institute Trust, and Special Assessment Deferment.

**Michigan**

**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS - OTHER STATE FUNDS**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	SCHOOL BOND LOAN FUND	TOBACCO SETTLEMENT TRUST FUND	MICHIGAN MERIT AWARD TRUST FUND
<b>ASSETS</b>			
Current Assets:			
Equity in common cash	\$ 48	\$ 85,196	\$ 135,552
Other current assets	-	-	-
Total Current Assets	48	85,196	135,552
Other noncurrent assets	-	-	-
Total Assets	\$ 48	\$ 85,196	\$ 135,552
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Warrants outstanding	\$ -	\$ 181	\$ 160
Accounts payable and other liabilities	5	3,659	125,813
Amounts due to other funds	-	1	6
Deferred revenue	-	-	-
Total Current Liabilities	5	3,841	125,978
Long-Term Liabilities:			
Deferred revenue	-	-	-
Total Liabilities	5	3,841	125,978
Fund Balances:			
Reserves for:			
Budgetary Carry-Forwards:			
Encumbrances	-	10,042	187
Multi-year projects	-	12,708	450
Noncurrent assets	-	-	-
Total Reserved	-	22,750	637
Unreserved	42	58,605	8,937
Total Fund Balances	42	81,355	9,574
Total Liabilities and Fund Balances	\$ 48	\$ 85,196	\$ 135,552

ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	TOTALS
		SEPTEMBER 30, 2002
\$ 131	\$ 1,220	\$ 222,147
629	223	852
760	1,443	222,999
-	1,174	1,174
\$ 760	\$ 2,616	\$ 224,172
\$ 6	\$ -	\$ 347
-	35	129,511
-	-	7
754	-	754
760	35	130,620
-	141	141
760	176	130,762
-	-	10,229
-	-	13,158
-	1,174	1,174
-	1,174	24,561
-	1,266	68,850
-	2,440	93,411
\$ 760	\$ 2,616	\$ 224,172

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**SPECIAL REVENUE FUNDS - OTHER STATE FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

	SCHOOL BOND LOAN FUND	TOBACCO SETTLEMENT TRUST FUND	MICHIGAN MERIT AWARD TRUST FUND
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 86,881	\$ 248,570
Total Revenues	-	86,881	248,570
<b>EXPENDITURES</b>			
Current:			
General government	332	45,000	19,348
Education	-	-	130,168
Public safety and corrections	-	-	-
Labor, commerce, and regulatory	-	23,429	-
Health services	-	80,732	-
Debt Service:			
Bond interest and fiscal charges	1,240	-	-
Total Expenditures	1,572	149,160	149,517
Excess of Revenues over (under) Expenditures	(1,572)	(62,279)	99,053
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds and notes issued	97,725	-	-
Transfers to other funds	(97,161)	(27,500)	(131,524)
Total Other Financing Sources (Uses)	564	(27,500)	(131,524)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,008)	(89,779)	(32,470)
Fund Balances - Beginning of fiscal year	1,050	171,134	42,044
Fund Balances - End of fiscal year	\$ 42	\$ 81,355	\$ 9,574



# Michigan

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ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	TOTALS
		SEPTEMBER 30, 2002
<u>\$ 68,273</u>	<u>\$ 174</u>	<u>\$ 403,898</u>
<u>68,273</u>	<u>174</u>	<u>403,898</u>
67,586	-	132,266
-	-	130,168
-	797	797
-	-	23,429
-	-	80,732
-	-	1,240
<u>67,586</u>	<u>797</u>	<u>368,632</u>
<u>687</u>	<u>(623)</u>	<u>35,266</u>
-	-	97,725
<u>(687)</u>	<u>(6)</u>	<u>(256,877)</u>
<u>(687)</u>	<u>(6)</u>	<u>(159,152)</u>
-	(629)	(123,886)
-	3,069	217,297
<u>\$ -</u>	<u>\$ 2,440</u>	<u>\$ 93,411</u>

**Michigan**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
SPECIAL REVENUE FUNDS - OTHER STATE FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)**

Statutory/Budgetary Basis	TOBACCO SETTLEMENT TRUST FUND			MICHIGAN MERIT AWARD TRUST FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
Miscellaneous	\$ 86,881	\$ 86,881	\$ -	\$ 248,570	\$ 248,570	\$ -
Total Revenues and Other Sources	86,881	86,881	-	248,570	248,570	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Career Development	28,260	28,260	-	-	-	-
Colleges and Universities Grants	-	-	-	130,168	130,168	-
Community Health	104,523	85,957	18,565	-	-	-
Management and Budget	45,000	45,000	-	-	-	-
Treasury	27,485	27,485	-	151,514	151,059	455
Total Expenditures, Transfers Out, and Encumbrances	205,267	186,702	18,565	281,682	281,227	455
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ (118,386)	(99,821)	\$ 18,565	\$ (33,112)	(32,657)	\$ 455
Reconciling Items:						
Encumbrances at September 30		10,042			187	
Funds not annually budgeted		-			-	
Net Reconciling Items		10,042			187	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(89,779)			(32,470)	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		171,134			42,044	
Ending balances (GAAP Basis)		\$ 81,355			\$ 9,574	

# Michigan

## FUNDS NOT ANNUALLY BUDGETED

SCHOOL BOND LOAN FUND	ASSIGNED CLAIMS FACILITY AND PLAN FUND	MISCELLANEOUS SPECIAL REVENUE FUNDS	TOTALS		
ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ 335,451	\$ 335,451	\$ -
-	-	-	335,451	335,451	-
-	-	-	28,260	28,260	-
-	-	-	130,168	130,168	-
-	-	-	104,523	85,957	18,565
-	-	-	45,000	45,000	-
-	-	-	178,999	178,544	455
-	-	-	486,950	467,929	19,020
-	-	-	<u>\$ (151,499)</u>	<u>(132,478)</u>	<u>\$ 19,020</u>
-	-	-		10,229	
(1,008)	-	(629)		<u>(1,637)</u>	
(1,008)	-	(629)		<u>8,592</u>	
(1,008)	-	(629)		<u>(123,886)</u>	
1,050	-	3,069		<u>217,297</u>	
<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 2,440</u>		<u>\$ 93,411</u>	



## **DEBT SERVICE FUNDS**

### **COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND**

This fund was established pursuant to P.A. 51 of 1951, as amended, to account for debt service on all State Trunkline Fund-related bond issues. The bonds are not general obligations of the State. The bonds are payable solely out of funds restricted for transportation purposes by Article 9, Section 9, of the Michigan State Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Debt service requirements are funded by annual appropriations in the State Trunkline Fund.

### **COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND**

This fund was established pursuant to P.A. 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund-related bond issues. The bonds are not general obligations of the State. The bonds are payable solely out of funds restricted for comprehensive transportation purposes by Article 9, Section 9, of the Michigan State Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.

### **RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND**

Public Acts 326 and 327 of 1988 established this fund to service bond issues of the Recreation Bond Fund-Local Projects, Recreation Bond Fund-State Projects, and the Environmental Protection Bond Fund. Also pursuant to P.A. 284 of 1998 and Part 196 of P.A. 451 of 1994, the fund services bond issues of the Clean Michigan Initiative Bond Fund-Local Projects, Clean Michigan Initiative Bond Fund-State Projects, and Clean Michigan Initiative Bond Fund-Environmental Projects. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

### **SCHOOL LOAN BOND REDEMPTION FUND**

Public Act 74 of 1955 and P. A. 112 of 1961 created this fund to account for debt service on general obligation bonds issued to finance loans to local school districts. The School Bond Loan Fund, a special revenue fund, receives the State bond proceeds and makes the loans. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

### **STATE BUILDING AUTHORITY**

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition or renovation of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of state equipment.

The Authority's projects are financed by revenue bonds, the proceeds of which can only be used for construction and debt service on projects related to particular bond issues. During construction, debt service requirements are financed by a portion of the bond proceeds that are dedicated for that purpose. For completed projects, the resources to finance bond interest and redemption are provided by transfers from the General Fund and from investment earnings of this fund. When a project is completed, the remaining net assets are transferred to this fund where they are invested and used for debt service. Excess balances related to a particular bond series remaining in the fund after the final payment on the bond series are transferred to the General Fund.

### **MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY**

The Michigan Underground Storage Tank Financial Assurance Finance Authority was established in 1993 and operates under Part 215 of P.A. 451 of 1994, as amended, to provide financing for the activities of the Michigan Underground Storage Tank Financial Assurance Fund. A five-member board of directors governs the Authority.

**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND
<b>ASSETS</b>			
Current Assets:			
Cash	\$ -	\$ -	\$ -
Equity in common cash	190	-	-
Amounts due from other funds	-	-	-
Investments	-	-	-
Other current assets	-	-	-
Total Current Assets	<u>190</u>	<u>-</u>	<u>-</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Accounts payable and other liabilities	\$ 190	\$ -	\$ -
Amounts due to other funds	-	-	-
Total Current Liabilities	<u>190</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>190</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ -</u>

# Michigan

SCHOOL LOAN BOND REDEMPTION FUND	STATE BUILDING AUTHORITY	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY	TOTALS SEPTEMBER 30, 2002
\$ -	\$ -	\$ 5,125	\$ 5,125
-	-	6,344	6,534
-	301	5,276	5,577
-	259,392	121,500	380,891
-	622	-	622
-	260,314	138,244	398,749
-	14,641	-	14,641
\$ -	\$ 274,955	\$ 138,244	\$ 413,389
\$ -	\$ 133	\$ 5,155	\$ 5,478
-	8	1,000	1,008
-	141	6,155	6,486
-	141	6,155	6,486
-	274,813	132,089	406,903
-	274,813	132,089	406,903
\$ -	\$ 274,955	\$ 138,244	\$ 413,389

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	RECREATION AND ENVIRONMENTAL PROTECTION BOND REDEMPTION FUND
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 1	\$ -
Total Revenues	-	1	-
<b>EXPENDITURES</b>			
Current:			
General government	-	-	970
Education	-	-	-
Transportation	683	616	-
Debt Service:			
Bond principal retirement	19,690	11,130	33,141
Bond interest and fiscal charges	47,003	10,221	36,304
Total Expenditures	67,376	21,967	70,416
Excess of Revenues over (under) Expenditures	(67,375)	(21,967)	(70,416)
<b>OTHER FINANCING SOURCES (USES)</b>			
Premium on bond issuance	6,630	6,023	20,829
Refunding bonds issued	97,870	89,620	215,530
Payment to refunded bond escrow agent	(103,817)	(95,027)	(235,389)
Transfers from other funds	66,693	21,351	69,445
Transfers to other funds	-	(1)	-
Total Other Financing Sources (Uses)	67,375	21,967	70,416
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	-
Fund Balances - Beginning of fiscal year	-	-	-
Fund Balances - End of fiscal year	\$ -	\$ -	\$ -



# Michigan

SCHOOL LOAN BOND REDEMPTION FUND	STATE BUILDING AUTHORITY	MICHIGAN UNDERGROUND STORAGE TANK FINANCIAL ASSURANCE FINANCE AUTHORITY	TOTALS  SEPTEMBER 30, 2002
\$ -	\$ 4,593	\$ 1,959	\$ 6,553
-	4,593	1,959	6,553
383	-	55	1,408
-	822	-	822
-	-	-	1,299
32,670	115,100	15,070	226,801
15,398	106,745	8,767	224,438
48,451	222,667	23,892	454,768
(48,451)	(218,074)	(21,933)	(448,215)
8,329	-	-	41,811
85,125	-	-	488,145
(93,071)	-	-	(527,303)
48,068	265,982	66,207	537,746
-	-	(4,000)	(4,001)
48,451	265,982	62,207	536,398
-	47,908	40,275	88,182
-	226,906	91,815	318,721
\$ -	\$ 274,813	\$ 132,089	\$ 406,903



## CAPITAL PROJECTS FUNDS

### COMBINED RECREATION BOND FUND - STATE PROJECTS

Established in 1988, this fund currently operates under Parts 196, 715, and 741 of P.A. 451 of 1994, as amended. The balances in the fund reflect proceeds and investment earnings remaining from three bond packages: \$70 million of general obligation bonds approved by voters in November 1988 as part of a \$140 million bond package for financing State and local public recreation projects, \$50 million of general obligation bonds approved by voters in November 1998 as part of a \$675 million bond package known as the "Clean Michigan Initiative", and \$15.5 million of State Park Gross Revenue Bonds issued in September 2002.

Proceeds from the 1988 bond package are used to construct, expand, and develop recreational facilities at State parks. Proceeds from the 1998 bond package are used for infrastructure improvements at State parks with the installation or upgrade of drinking water systems or rest room facilities as a first priority. Proceeds from the 2002 bond package are being used to finance a major renovation of the Sterling State Park.

### ADVANCE FINANCING FUNDS

The Advance Financing Funds reflects the activities of two sub-funds: the State Building Authority Advance Financing Fund and the Site Preparation Economic Development Fund.

The State Building Authority Advance Financing Fund was administratively established to account for expenditures incurred for equipment, higher education, and State projects prior to the issuance of State Building Authority bonds. Appropriation acts and concurrent resolutions provide temporary financing of such expenditures for legislatively authorized projects. Expenditures on behalf of the State Building Authority are recorded when incurred. At year-end, any deficit in the common cash pool is reclassified as a payable to the General Fund. In addition to advance expenditures, expenditures financed by the General Fund or other sources related to State Building Authority projects are recorded in this fund.

The State Building Authority, in its separately issued statements, does not recognize liabilities for these projects until bonds or commercial paper are issued; therefore, no receivable from the Authority is recognized in this fund prior to bond or commercial paper issuance. This results in the fund showing a year-end fund balance deficit. The Authority will reimburse this fund by recording a transfer and the deficit attributable to the bonded projects will be eliminated when the Authority issues bonds or obtains commercial paper.

The Site Preparation Economic Development Fund was created by P.A. 265 of 1999 to account for expenditures incurred to prepare and sell State owned sites declared as surplus that would provide economic benefit to the area or State. Expenditures are recorded when incurred. Sale proceeds of fund properties are deposited into the fund.

### STATE BUILDING AUTHORITY

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition or renovation of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of State equipment. The Authority's five board members are appointed by the Governor.

This capital projects fund accounts for the construction of State projects, certain equipment financing, and higher education related projects. Transfers out reflect transfers to the debt service fund of proceeds dedicated for debt service during construction, reimbursements of expenditures to the State Building Authority Advance Financing Fund, and the transfer of net assets remaining after the completion of a project to the debt service fund. In the State's Government-wide Financial Statements, accumulated expenditures for incomplete projects are reflected as "construction in progress" and completed projects are recorded as "buildings."

**Michigan**

**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	COMBINED RECREATION BOND FUND- STATE PROJECTS	ADVANCE FINANCING FUNDS	STATE BUILDING AUTHORITY	TOTALS  SEPTEMBER 30, 2002
<b>ASSETS</b>				
Current Assets:				
Equity in common cash	\$ 11,151	\$ -	\$ -	\$ 11,151
Amounts due from other funds	-	142,834	-	142,834
Amounts due from component units	-	34,529	-	34,529
Amounts due from federal agencies	-	283	-	283
Amounts due from local units	-	15,090	-	15,090
Investments	-	-	70,319	70,319
Other current assets	-	476	86	562
Total Current Assets	11,151	193,212	70,405	274,768
Total Assets	\$ 11,151	\$ 193,212	\$ 70,405	\$ 274,768
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ 9	\$ 421	\$ -	\$ 430
Accounts payable and other liabilities	2,780	179,337	708	182,824
Amounts due to other funds	-	73,672	143,135	216,807
Interest payable	-	-	333	333
Total Current Liabilities	2,789	253,430	144,176	400,395
Total Liabilities	2,789	253,430	144,176	400,395
Fund Balances:				
Reserves For:				
Construction and debt service	-	-	33,150	33,150
Total Reserved	-	-	33,150	33,150
Unreserved	8,362	(60,218)	(106,921)	(158,776)
Total Fund Balances	8,362	(60,218)	(73,771)	(125,627)
Total Liabilities and Fund Balances	\$ 11,151	\$ 193,212	\$ 70,405	\$ 274,768

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**CAPITAL PROJECTS FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

	COMBINED RECREATION BOND FUND- STATE PROJECTS	ADVANCE FINANCING FUNDS	STATE BUILDING AUTHORITY	TOTALS  SEPTEMBER 30, 2002
<b>REVENUES</b>				
From federal agencies	\$ -	\$ 550	\$ -	\$ 550
Miscellaneous	178	-	1,180	1,359
Total Revenues	178	550	1,180	1,909
<b>EXPENDITURES</b>				
Current:				
General government	-	1,472	-	1,472
Education	-	7,804	188,317	196,121
Conservation, environment, recreation, and agriculture	337	-	-	337
Capital outlay	28,302	38,004	128,003	194,309
Total Expenditures	28,640	47,280	316,320	392,239
Excess of Revenues over (under) Expenditures	(28,461)	(46,730)	(315,139)	(390,330)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	36,907	-	535,555	572,462
Premium on bond issuance	1,517	-	11,827	13,344
Extinguishment of commercial paper	-	-	(51,890)	(51,890)
Transfers from other funds	-	161,971	-	161,971
Transfers to other funds	(4)	-	(158,715)	(158,719)
Total Other Financing Sources (Uses)	38,419	161,971	336,777	537,168
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	9,958	115,242	21,638	146,838
Fund Balances - Beginning of fiscal year	(1,596)	(175,460)	(95,409)	(272,464)
Fund Balances - End of fiscal year	\$ 8,362	\$ (60,218)	\$ (73,771)	\$ (125,627)



## PERMANENT FUNDS

### MICHIGAN NATURAL RESOURCES TRUST FUND

The State Constitution was amended in 1984 to provide for the Michigan Natural Resources Trust Fund. The fund, established in 1985, operates under Part 19 of P.A. 451 of 1994, as amended. Most rentals, royalties, and other revenues derived from mineral, coal, oil, and gas interests on State-owned land are credited to the fund. Public Act 451 of 1994 directs a portion (50%, up to \$10 million per year) of these revenues to the Michigan State Parks Endowment Fund. The voters approved a constitutional amendment in August 2002, which increased the amount that can be accumulated to \$500 million, modified the distribution formula, and allows the State Treasurer to invest in equity securities and other types of investments.

In accordance with statutory provisions, this fund is to accumulate up to \$500 million in reserves for permanent investments. The amount accumulated toward this cap is shown as a reservation of fund balance. Investment earnings and one-third of royalty earnings are available for appropriation. Two-thirds of royalty earnings, less the portion transferred to the Michigan State Park Endowment Fund, are added to amounts held for permanent investments until the investment reserve reaches \$500 million. After that time, all royalties, less the portion transferred to the Michigan State Park Endowment Fund, are restricted for investment and only interest is available for appropriation. Appropriations are used to fund grants to local units of government as well as State agencies to acquire land or develop public recreation facilities and to pay property taxes on state lands acquired by the fund.

### MICHIGAN STATE PARKS ENDOWMENT FUND

Established in 1994, this fund operates under Part 741 of P.A. 451 of 1994, as amended, to finance operations, maintenance, and capital improvements at Michigan State parks. The voters approved a constitutional amendment in August 2002 that changed the distribution formula and allows the State Treasurer to invest in equity securities and other types of investments.

The fund was established with a \$40 million transfer from the sale of the Accident Fund of Michigan to provide funds for permanent investment. By statute, up to \$10 million per year of revenues from oil and gas bonuses, rentals, and royalties from State-owned land are deposited into this fund until the Michigan Natural Resources Trust Fund reaches an accumulated principal of \$500 million after which time all revenue previously going to that fund will go to this fund. The fund's investment reserve will be capped at \$800 million. The legislature is limited to appropriating no more than 50% of the amount transferred from the Natural Resources Trust Fund plus interest and investment earnings. When the fund's reserve reaches \$800 million, only the interest and earnings in excess of the amount needed to maintain the \$800 million principal limit may be expended.

### MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND

Public Act 394 of 1994, as amended, established this fund for the purpose of conserving, improving, and developing the State's natural resources, and for enhancing, preserving, and maintaining public lands and waters through the employment of residents of this State in work training programs.

Twenty million dollars earmarked from the sale of the Accident Fund of Michigan provided the fund's permanent investment reserve. Only the interest and earnings of the fund can be expended.

### MICHIGAN VETERANS' TRUST FUND

Public Act 9 of 1946 (First Extra Session) created this fund to finance programs to assist veterans and their beneficiaries. A seven-member board of trustees governs the fund. Resources are provided by investment and common cash earnings and by transfers from the General Fund. Expenditures and transfers out reflect grants to veterans and their widows or dependents, and administrative costs at both the State and local level. The fund is administered within the Department of Military and Veterans Affairs.

### CHILDREN'S TRUST FUND

Public Act 249 of 1982 established the Children's Trust Fund to support the State Child Abuse and Neglect Prevention Board. The Board was established under P.A. 250 of 1982 to coordinate and fund activities for the prevention of child abuse and neglect in the State.

Public Act 291 of 2000 provided for a transfer of \$13.1 million from the General Fund during fiscal year 1999-2000 to bring the fund's total assets to an amount exceeding \$20 million. Only the earnings credited to the fund are available for disbursement once the total assets of the fund exceed \$20 million corpus. Revenues are derived primarily from grants from the federal government, gifts and donations, and interest on investments.

# Michigan

**COMBINING BALANCE SHEET**  
**PERMANENT FUNDS**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	MICHIGAN NATURAL RESOURCES TRUST FUND	MICHIGAN STATE PARKS ENDOWMENT FUND	MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND
<b>ASSETS</b>			
Current Assets:			
Equity in common cash	\$ 87,309	\$ 29,351	\$ 3,682
Amounts due from local units	-	-	-
Securities lending collateral	15,489	6,568	-
Other current assets	9,022	1,443	237
Total Current Assets	<u>111,820</u>	<u>37,362</u>	<u>3,919</u>
Investments	<u>177,093</u>	<u>89,159</u>	<u>16,806</u>
Total Assets	<u>\$ 288,914</u>	<u>\$ 126,521</u>	<u>\$ 20,725</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Warrants outstanding	\$ 1,214	\$ 39	\$ 27
Obligations under security lending	15,489	6,568	-
Accounts payable and other liabilities	7,565	431	130
Amounts due to other funds	7	4	1
Amounts due to component units	-	-	-
Total Current Liabilities	<u>24,274</u>	<u>7,041</u>	<u>158</u>
Total Liabilities	<u>24,274</u>	<u>7,041</u>	<u>158</u>
Fund Balances:			
Reserves For:			
Budgetary Carry-Forwards:			
Encumbrances	16,725	1,475	8
Multi-year projects	16,575	559	-
Funds held as permanent investments	203,417	106,018	20,174
Total Reserved	<u>236,717</u>	<u>108,052</u>	<u>20,181</u>
Unreserved	<u>27,922</u>	<u>11,428</u>	<u>386</u>
Total Fund Balances	<u>264,639</u>	<u>119,480</u>	<u>20,567</u>
Total Liabilities and Fund Balances	<u>\$ 288,914</u>	<u>\$ 126,521</u>	<u>\$ 20,725</u>



# Michigan

MICHIGAN VETERANS' TRUST FUND	CHILDREN'S TRUST FUND	TOTALS
		SEPTEMBER 30, 2002
\$ 13,109	\$ 3,587	\$ 137,038
124	-	124
9,179	-	31,236
264	241	11,206
<u>22,676</u>	<u>3,828</u>	<u>179,604</u>
38,388	18,320	339,767
<u>\$ 61,064</u>	<u>\$ 22,148</u>	<u>\$ 519,371</u>
\$ 27	\$ 1	\$ 1,307
9,179	-	31,236
2,925	99	11,150
3	2	16
100	-	100
<u>12,234</u>	<u>102</u>	<u>43,810</u>
12,234	102	43,810
1	103	18,311
-	-	17,134
49,000	21,048	399,658
<u>49,001</u>	<u>21,152</u>	<u>435,102</u>
(172)	895	40,459
<u>48,829</u>	<u>22,046</u>	<u>475,561</u>
<u>\$ 61,064</u>	<u>\$ 22,148</u>	<u>\$ 519,371</u>

# Michigan

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### PERMANENT FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

	MICHIGAN NATURAL RESOURCES TRUST FUND	MICHIGAN STATE PARKS ENDOWMENT FUND	MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND
<b>REVENUES</b>			
From federal agencies	\$ -	\$ -	\$ -
Miscellaneous	47,619	6,433	1,209
Total Revenues	47,619	6,433	1,209
<b>EXPENDITURES</b>			
Current:			
Family independence services	-	-	-
Public safety and corrections	-	-	-
Conservation, environment, recreation, and agriculture	4,891	4,951	1,559
Capital outlay	38,115	897	-
Total Expenditures	43,006	5,848	1,559
Excess of Revenues over (under) Expenditures	4,613	585	(350)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	10,000	-
Transfers to other funds	(10,046)	(32)	(10)
Total Other Financing Sources (Uses)	(10,046)	9,968	(10)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(5,434)	10,553	(360)
Fund Balances - Beginning of fiscal year	270,073	108,927	20,927
Fund Balances - End of fiscal year	\$ 264,639	\$ 119,480	\$ 20,567

# Michigan

MICHIGAN VETERANS' TRUST FUND	CHILDREN'S TRUST FUND	TOTALS
		SEPTEMBER 30, 2002
\$ -	\$ 822	\$ 822
2,881	2,148	60,289
2,881	2,971	61,112
-	2,601	2,601
4,105	-	4,105
-	-	11,401
-	-	39,012
4,105	2,601	57,119
(1,225)	370	3,993
-	10	10,010
(8)	(5)	(10,102)
(8)	5	(92)
(1,233)	374	3,901
50,062	21,672	471,660
\$ 48,829	\$ 22,046	\$ 475,561

# Michigan

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PERMANENT FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

Statutory/Budgetary Basis	MICHIGAN NATURAL RESOURCES TRUST FUND			MICHIGAN STATE PARKS ENDOWMENT FUND		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
From federal agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	47,619	47,619	-	6,433	6,433	-
Transfers in	-	-	-	10,000	10,000	-
Total Revenues and Other Sources	47,619	47,619	-	16,433	16,433	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Family Independence Agency	-	-	-	-	-	-
Military and Veterans Affairs	-	-	-	-	-	-
Natural Resources	80,583	69,777	10,806	7,422	7,354	68
Total Expenditures, Transfers Out, and Encumbrances	80,583	69,777	10,806	7,422	7,354	68
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	\$ (32,964)	(22,158)	\$ 10,806	\$ 9,011	9,079	\$ 68
Reconciling Items:						
Encumbrances at September 30		16,725			1,475	
Net Reconciling Items		16,725			1,475	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(5,434)			10,553	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		270,073			108,927	
Ending balances (GAAP Basis)		\$ 264,639			\$ 119,480	

# Michigan

MICHIGAN CIVILIAN CONSERVATION CORPS ENDOWMENT FUND			MICHIGAN VETERANS' TRUST FUND		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,209	1,209	-	2,881	2,881	-
-	-	-	-	-	-
1,209	1,209	-	2,881	2,881	-
-	-	-	-	-	-
-	-	-	4,771	4,115	657
1,579	1,576	3	-	-	-
1,579	1,576	3	4,771	4,115	657
<u>\$ (370)</u>	<u>(367)</u>	<u>\$ 3</u>	<u>\$ (1,891)</u>	<u>(1,234)</u>	<u>\$ 657</u>
	8			1	
	8			1	
	(360)			(1,233)	
	20,927			50,062	
<u>\$ 20,567</u>			<u>\$ 48,829</u>		

This schedule continued on next page.

Michigan

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
PERMANENT FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2002

(In Thousands)

<u>Statutory/Budgetary Basis</u>	CHILDREN'S TRUST FUND			TOTALS		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
<b>REVENUES AND OTHER SOURCES</b>						
From federal agencies	\$ 822	\$ 822	\$ -	\$ 822	\$ 822	\$ -
Miscellaneous	2,148	2,148	-	60,289	60,289	-
Transfers in	10	10	-	10,010	10,010	-
Total Revenues and Other Sources	2,981	2,981	-	71,122	71,122	-
<b>EXPENDITURES, TRANSFERS OUT, AND ENCUMBRANCES - BY BRANCH, DEPARTMENT/AGENCY</b>						
Family Independence Agency	3,014	2,709	304	3,014	2,709	304
Military and Veterans Affairs	-	-	-	4,771	4,115	657
Natural Resources	-	-	-	89,583	78,707	10,876
Total Expenditures, Transfers Out, and Encumbrances	3,014	2,709	304	97,369	85,531	11,837
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	<u>\$ (33)</u>	<u>271</u>	<u>\$ 304</u>	<u>\$ (26,247)</u>	<u>(14,410)</u>	<u>\$ 11,837</u>
Reconciling Items:						
Encumbrances at September 30		103			18,311	
Net Reconciling Items		103			18,311	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		374			3,901	
<b>FUND BALANCES (GAAP BASIS)</b>						
Beginning balances		21,672			471,660	
Ending balances (GAAP Basis)		<u>\$ 22,046</u>			<u>\$ 475,561</u>	

## INTERNAL SERVICE FUNDS

### CORRECTIONAL INDUSTRIES REVOLVING FUND

Created by P.A. 210 of 1935 and continued by P.A. 15 of 1968, this fund accounts for the financial transactions of a manufacturing and processing industry, employing inmates incarcerated in Michigan's correctional institutions. Public Act 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax-exempt organizations.

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively. The repayment provisions, as stipulated in Executive Order 1992-13, resulted in no required payment in fiscal year 2001-2002, however \$1 million was paid against the principal because sufficient cash was available.

### MOTOR TRANSPORT FUND

This fund was created by P.A. 260 of 1947 and continued by P.A. 431 of 1984 to provide vehicle and travel services for State agencies. Activities include lease, purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short-term usage and are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are billed on a monthly basis for services rendered.

### OFFICE SERVICES REVOLVING FUND

Created by P.A. 262 of 1952, this fund provides services in the following areas: printing, reproduction, microfilm, mailing, distribution of federal and state surplus property, and materials management. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment. During fiscal year 2001-2002, the use of the fund was expanded to account for the purchase of bulk gas used by State agencies.

### INFORMATION TECHNOLOGY FUND

This fund was created by administrative decision to provide telecommunication and information technology services for State agencies. User agencies are billed for the cost of such services. During fiscal year 2001-2002, the use of this fund was expanded to account for all information technology activities of the executive branch as prescribed in Executive Order 2001-03.

### RISK MANAGEMENT FUND

Administratively established, this fund accounts for certain centralized risk management functions performed by the Department of Management and Budget for other State agencies. Currently, the fund has assumed a degree of risk for the automotive liability. This activity and administrative functions are recorded as operating activity of the fund. An activity of the fund for which the fund assumes no risk is the centralized processing of workers' compensation payments for State agencies. Workers' compensation long-term claim liabilities are recorded in the Government-wide Financial Statements and the related current year workers' compensation expenditures are recorded in the applicable funds.

### STATE SPONSORED GROUP INSURANCE FUND

This fund was administratively established to reflect the financial transactions of the State sponsored insurance plans that provide health, long-term disability, life, vision, and dental coverage for participating employees and retirees. The plans' funding methods range from those where the State is fully self-insured to those where an outside carrier assumes partial risk on a contracted basis. A note to the Government-wide Financial Statements entitled "Risk Management" provides additional information about this fund.

The amounts reflected as amounts due from other funds include reclassifications of other funds' negative balances in the common cash pool.

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
<b>ASSETS</b>			
Current Assets:			
Cash	\$ -	\$ 49	\$ 75
Equity in common cash	2,979	-	-
Amounts due from other funds	-	-	-
Inventories	14,874	201	2,723
Other current assets	252	14,549	373
Total Current Assets	18,105	14,798	3,171
Capital Assets:			
Buildings and equipment	43,970	13,964	26,756
Allowance for depreciation	(19,749)	(10,064)	(13,899)
Total capital assets	24,222	3,900	12,856
Other noncurrent assets	-	955	-
Total Assets	\$ 42,326	\$ 19,654	\$ 16,027
<b>LIABILITIES</b>			
Current Liabilities:			
Warrants outstanding	\$ 401	\$ 20	\$ 188
Accounts payable and other liabilities	1,386	2,645	5,804
Amounts due to other funds	61	14,026	3,869
Deferred revenue	-	641	-
Current portion of other long-term obligations	78	24	1,662
Total Current Liabilities	1,926	17,357	11,523
Long-Term Liabilities:			
Advances from other funds	6,210	-	-
Noncurrent portion of other long-term obligations	1,069	267	5,150
Total Liabilities	\$ 9,205	\$ 17,624	\$ 16,673
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 24,222	\$ 3,900	\$ 7,968
Restricted for other purposes	8,899	-	-
Unrestricted	-	(1,870)	(8,614)
Total Net Assets	\$ 33,121	\$ 2,030	\$ (645)



Michigan

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INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS  SEPTEMBER 30, 2002
\$ -	\$ -	\$ 41	\$ 165
-	10,124	120,434	133,537
-	-	49,653	49,653
155	-	-	17,953
113	73	96,950	112,309
<u>268</u>	<u>10,197</u>	<u>267,078</u>	<u>313,617</u>
299,217	4	303	384,214
(199,076)	(4)	(303)	(243,096)
<u>100,141</u>	<u>-</u>	<u>-</u>	<u>141,119</u>
-	-	-	955
<u>\$ 100,409</u>	<u>\$ 10,197</u>	<u>\$ 267,078</u>	<u>\$ 455,692</u>
\$ 1,271	\$ 9	\$ 1,741	\$ 3,630
4,540	1,875	6,992	23,242
30,165	2	-	48,123
2,414	-	186	3,242
15,621	2,339	99,916	119,641
<u>54,011</u>	<u>4,225</u>	<u>108,836</u>	<u>197,878</u>
-	-	-	6,210
<u>31,057</u>	<u>4,337</u>	<u>72,806</u>	<u>114,686</u>
<u>\$ 85,069</u>	<u>\$ 8,562</u>	<u>\$ 181,641</u>	<u>\$ 318,774</u>
\$ 71,735	\$ -	\$ -	\$ 107,825
-	-	-	8,899
(56,395)	1,635	85,437	20,193
<u>\$ 15,340</u>	<u>\$ 1,635</u>	<u>\$ 85,437</u>	<u>\$ 136,917</u>

**Michigan**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
<b>OPERATING REVENUES</b>			
Operating revenues	\$ 42,308	\$ 66,427	\$ 71,074
Total Operating Revenues	<u>42,308</u>	<u>66,427</u>	<u>71,074</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages, and other administrative	22,668	5,125	28,183
Depreciation	1,601	642	2,673
Purchases for resale	-	-	41,094
Purchases for prison industries	16,690	-	-
Premiums and claims	-	1,631	1
Other operating expenses:			
Leased vehicles expense	-	42,833	-
Vehicle maintenance expense	-	21,898	-
Total other operating expenses	<u>-</u>	<u>64,731</u>	<u>-</u>
Total Operating Expenses	<u>40,960</u>	<u>72,129</u>	<u>71,950</u>
Operating Income (Loss)	<u>1,349</u>	<u>(5,702)</u>	<u>(877)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Other nonoperating revenues	1	-	-
Interest expense	(299)	-	(200)
Other nonoperating expense	<u>(229)</u>	<u>(56)</u>	<u>(109)</u>
Total Nonoperating Revenues (Expenses)	<u>(526)</u>	<u>(56)</u>	<u>(309)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>822</u>	<u>(5,758)</u>	<u>(1,185)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions from other funds	-	-	-
Transfers to other funds	<u>(204)</u>	<u>(75)</u>	<u>(157)</u>
Total Capital Contributions and Transfers In (Out)	<u>(204)</u>	<u>(75)</u>	<u>(157)</u>
Change in net assets	618	(5,833)	(1,343)
Total net assets - Beginning of fiscal year	<u>32,503</u>	<u>7,863</u>	<u>697</u>
Total net assets - End of fiscal year	<u><u>\$ 33,121</u></u>	<u><u>\$ 2,030</u></u>	<u><u>\$ (645)</u></u>

# Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS SEPTEMBER 30, 2002
\$ 575,495	\$ 3,241	\$ 808,919	\$ 1,567,464
575,495	3,241	808,919	1,567,464
553,228	1,005	40,055	650,263
37,114	-	2,653	44,682
-	-	-	41,094
-	-	-	16,690
-	1,951	757,897	761,479
-	-	-	42,833
-	-	-	21,898
-	-	-	64,731
590,342	2,955	800,604	1,578,940
(14,847)	286	8,315	(11,477)
42	-	9,224	9,268
(1,158)	-	-	(1,657)
-	-	-	(393)
(1,116)	-	9,224	7,218
(15,963)	286	17,539	(4,259)
23,561	-	-	23,561
(194)	(17)	(23)	(670)
23,367	(17)	(23)	22,891
7,404	269	17,516	18,632
7,936	1,366	67,920	118,286
\$ 15,340	\$ 1,635	\$ 85,437	\$ 136,917

# Michigan

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2002 (In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 42,319	\$ 66,610	\$ 71,150
Payments to employees	(14,179)	(2,992)	(12,929)
Payments to suppliers	(17,184)	(64,794)	(53,037)
Claims paid	-	-	-
Other receipts	-	489	-
Other payments	(8,506)	-	-
Net cash provided (used) by operating activities	\$ 2,450	\$ (687)	\$ 5,185
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Loans or loan repayments from other funds	\$ -	\$ 522	\$ -
Loans or loan repayments to other funds	(1,000)	-	(2,230)
Transfers to other funds	(204)	(75)	(157)
Net cash provided (used) by noncapital financing activities	\$ (1,204)	\$ 447	\$ (2,387)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	\$ (2,476)	\$ -	\$ (530)
Interest paid	(299)	-	-
Capital lease payments (including imputed interest expense)	-	-	(1,691)
Proceeds from sale of capital assets	-	308	196
Net cash provided (used) by capital and related financing activities	\$ (2,775)	\$ 308	\$ (2,025)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends on investments	\$ -	\$ -	\$ -
Net cash provided (used) by investing activities	\$ -	\$ -	\$ -
Net cash provided (used) - all activities	\$ (1,529)	\$ 69	\$ 773
Cash and cash equivalents at beginning of year	4,107	(40)	(885)
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,578</b>	<b>\$ 29</b>	<b>\$ (113)</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Per Balance Sheet Classifications:			
Cash	\$ -	\$ 49	\$ 75
Equity in common cash	2,979	-	-
Warrants outstanding	(401)	(20)	(188)
Cash and cash equivalents at end of year	\$ 2,578	\$ 29	\$ (113)
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 1,349	\$ (5,702)	\$ (877)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	1,601	642	2,673
Other reconciling items	-	-	-
Net Changes in Assets and Liabilities:			
Inventories	1,023	59	(115)
Other assets (net)	12	4,031	156
Accounts payable and other liabilities	(1,534)	283	3,348
Net cash provided (used) by operating activities	\$ 2,450	\$ (687)	\$ 5,185
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Cost of capital assets acquisitions financed by capital leases	\$ -	\$ -	\$ 2,612
Capital lease liabilities entered into during the year	-	-	(2,612)
Gain (loss) on disposal of capital assets	(299)	-	(109)
Total noncash investing, capital, and financing activities	\$ (299)	\$ -	\$ (109)

# Michigan

INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS  SEPTEMBER 30, 2002
\$ 104,573	\$ 3,241	\$ 821,205	\$ 1,109,099
(20,408)	(599)	-	(51,106)
(65,444)	(786)	(243,784)	(445,028)
-	(1,780)	(567,080)	(568,860)
-	-	-	489
(1,975)	-	(6,149)	(16,631)
<u>\$ 16,746</u>	<u>\$ 77</u>	<u>\$ 4,192</u>	<u>\$ 27,963</u>
\$ 23,561	\$ -	\$ -	\$ 24,084
-	-	(21,775)	(25,005)
(194)	(17)	(23)	(670)
<u>\$ 23,367</u>	<u>\$ (17)</u>	<u>\$ (21,798)</u>	<u>\$ (1,592)</u>
(23,047)	\$ -	\$ (2,650)	\$ (28,702)
-	-	-	(299)
(14,165)	-	-	(15,857)
-	-	7,958	8,462
<u>\$ (37,212)</u>	<u>\$ -</u>	<u>\$ 5,308</u>	<u>\$ (36,396)</u>
\$ -	\$ -	\$ 9,224	\$ 9,224
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,224</u>	<u>\$ 9,224</u>
\$ 2,901	\$ 60	\$ (3,074)	\$ (801)
(4,171)	10,055	121,808	130,873
<u>\$ (1,271)</u>	<u>\$ 10,115</u>	<u>\$ 118,733</u>	<u>\$ 130,072</u>
\$ -	\$ -	\$ 41	\$ 165
-	10,124	120,434	133,537
(1,271)	(9)	(1,741)	(3,630)
<u>\$ (1,271)</u>	<u>\$ 10,115</u>	<u>\$ 118,733</u>	<u>\$ 130,072</u>
\$ (14,847)	\$ 286	\$ 8,315	\$ (11,477)
37,114	-	2,653	44,682
(9,272)	-	-	(9,272)
796	(73)	-	1,690
120	-	6,987	11,305
2,835	(136)	(13,762)	(8,966)
<u>\$ 16,746</u>	<u>\$ 77</u>	<u>\$ 4,192</u>	<u>\$ 27,963</u>
\$ 16,376	\$ -	\$ -	\$ 18,989
(16,376)	-	-	(18,989)
42	-	-	(365)
<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (365)</u>



## **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

Notes to the financial statements, entitled "Deferred Compensation Plans" and "Pension Benefits and Other Postemployment Benefits," include additional information regarding the following funds and plans.

### **STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS**

The State Employees' Deferred Compensation Fund I (457) and the State Employees' Deferred Compensation Fund II (401k) are combined for reporting purposes. Both funds were administratively established to account for deferred compensation plans that permit State employees to defer a portion of their income until future years. Executive Order 1999-7 transferred administration of the plans from the Department of Treasury to the Department of Management and Budget. However, the State Treasurer continues to oversee investment options.

### **LEGISLATIVE RETIREMENT FUND**

Public Act 261 of 1957 created the Legislative Retirement System (LRS) to provide retirement and other benefits for members of the Legislature, the presiding officers, and their surviving spouses or children. Participants in the system have a deduction from each salary payment to partially finance the fund. Legislative appropriations, interest on fund investments, and court fees complete the financing.

Public Act 486 of 1996 amended LRS's enabling legislation to provide that members elected after March 31, 1997, participate in the State's defined contribution plan.

### **STATE POLICE RETIREMENT FUND**

This fund was created by P.A. 251 of 1935 and later superseded by P.A. 182 of 1986. A nine-member board, under the direction of a chairperson elected from the membership, administers the fund to provide retirement benefits for State Police officers. Financing is provided by investment income and by an annual legislative appropriation.

### **STATE EMPLOYEES' RETIREMENT FUND**

This fund was established by P.A. 240 of 1943 and is administered by a nine-member board under the direction of an Executive Secretary. Public Act 216 of 1974 eliminated the requirement for member contributions and provided for financing by legislative appropriation and investment earnings.

Effective March 31, 1997, P.A. 487 of 1996 closed the plan to new applicants. All new employees become members of the State's defined contribution plan. The public act also allows returning employees and members who left state employment on or before March 31, 1997, to elect the defined benefit plan instead of the defined contribution plan.

### **PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND**

In accordance with P.A. 300 of 1980, on October 1, 1981, the Public School Employees' Chapter I Retirement Fund merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement Fund. Public Acts 136 of 1945 and 259 of 1974, respectively, created the two original funds. An eight-member board governs administrative policy.

Employer contributions and investment earnings provide financing for the fund. Under P.A. 91 of 1985, employees may contribute additional amounts into a "member investment plan."

### **JUDGES' RETIREMENT FUND**

Public Act 234 of 1992 authorized the merger of the Probate Judges' Retirement Fund into the Judges' Retirement Fund by requiring the consolidation of all assets, rights, and obligations under the former Judges' and Probate Judges' Retirement Funds. The Judges' Retirement Board, with the director of the Office of Retirement Systems as the Executive Secretary, administers the consolidated fund. Financing comes from member contributions, court filing fees as provided under law, investment earnings, and legislative appropriations.

Public Act 523 of 1996, effective March 31, 1997, closed the plan to new entrants. Judges or state officials newly appointed or elected on or after March 31, 1997, become members of the State's defined contribution plan.

### **STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND**

This fund was established by P.A. 487 of 1996 as a defined contribution pension plan for all state employees hired after March 31, 1997, and for those members of the State Employees' Retirement (defined benefit) System, Judges' Retirement System, and Legislative Retirement System who elected to transfer to this plan. Executive Order 1999-7 transferred administration of the fund from the Department of Treasury to the Department of Management and Budget. However, the State Treasurer shall continue to oversee investment options.

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**  
 SEPTEMBER 30, 2002  
 (In Thousands)

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Equity in common cash	900	2,994	1,626
Receivables:			
Employee	80,812	-	-
Employer	316	97	-
Interest and dividends	-	56	3,461
Due from other funds	50	-	1,950
Sale of investments	-	578	148
Investments at Fair Value:			
Short-term investments	21,364	-	10,177
Bonds, notes, mortgages, and preferred stock	-	-	208,334
Common stock	-	43,611	371,604
Real estate	-	-	90,920
Alternative investments	-	-	131,176
International investments	-	-	68,066
Mutual funds	1,011,560	94,008	-
Pooled investment funds	1,501,639	-	-
Money market funds	133,105	-	-
Securities lending collateral	-	-	40,124
Capital Assets:			
Buildings and equipment	-	-	-
Allowance for depreciation	-	-	-
Total capital assets	-	-	-
Total Assets	\$ 2,749,746	\$ 141,343	\$ 927,587
<b>LIABILITIES</b>			
Warrants outstanding	\$ -	\$ 35	\$ 223
Accounts payable and other liabilities	-	876	908
Amounts due to other funds	-	1	-
Obligations under security lending	-	-	40,124
Total Liabilities	\$ -	\$ 912	\$ 41,255
<b>NET ASSETS</b>			
Net assets held in trust for pension, postemployment health-care, and other employee benefits	\$ 2,749,746	\$ 140,431	\$ 886,331
Reconciliation of Net Assets Held in Trust:			
Pension benefits	\$ -	\$ 133,784	\$ 888,221
Postemployment health-care benefits	-	6,647	(1,889)
Other employee benefits	2,749,746	-	-
Total net assets held in trust for benefits	\$ 2,749,746	\$ 140,431	\$ 886,331



# Michigan

STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS SEPTEMBER 30, 2002
\$ 403	\$ 747	\$ -	\$ -	\$ 1,151
19,820	106,063	3,223	-	134,626
-	-	-	19,191	100,003
49,878	400,675	73	26	451,064
32,474	114,535	1,017	-	151,543
13,936	-	-	-	15,936
1,493	5,482	39	-	7,740
136,853	720,352	5,276	-	894,022
2,009,533	7,074,830	58,965	-	9,351,662
3,412,414	12,593,338	98,104	-	16,519,070
869,008	2,938,911	29,143	-	3,927,982
1,219,656	4,277,789	23,818	-	5,652,439
619,222	2,265,840	15,373	-	2,968,501
-	-	-	132,175	1,237,743
-	-	-	88,625	1,590,263
-	-	-	95,262	228,367
366,352	1,329,334	8,723	-	1,744,533
6	18	-	-	24
(6)	(18)	-	-	(24)
-	-	-	-	-
\$ 8,751,042	\$ 31,827,896	\$ 243,753	\$ 335,278	\$ 44,976,645
\$ 2,884	\$ 8,697	\$ 67	\$ -	\$ 11,906
10,280	162,033	203	-	174,300
-	-	-	50	51
366,352	1,329,334	8,723	-	1,744,533
\$ 379,516	\$ 1,500,065	\$ 8,993	\$ 50	\$ 1,930,791
\$ 8,371,526	\$ 30,327,831	\$ 234,760	\$ 335,228	\$ 43,045,854
\$ 8,274,112	\$ 30,008,030	\$ 235,319	\$ 335,228	\$ 39,874,694
97,414	319,801	(559)	-	421,414
-	-	-	-	2,749,746
\$ 8,371,526	\$ 30,327,831	\$ 234,760	\$ 335,228	\$ 43,045,854

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
<b>ADDITIONS</b>			
Contributions:			
From participants	\$ 179,961	\$ 358	\$ 1,493
From employers	3	3,116	47,727
From other plans	3,047	-	-
Investment Income:			
Net appreciation (depreciation) in fair value of investments	(260,392)	(16,294)	(129,605)
Interest, dividends, and other	113,282	4,383	23,332
Securities lending income	-	-	1,043
Less Investment Expense:			
Investment activity expense	-	411	1,951
Securities lending expense	-	-	836
Net investment income (loss)	(147,110)	(12,322)	(108,017)
Miscellaneous income	716	1,095	-
Total Additions	36,617	(7,753)	(58,797)
<b>DEDUCTIONS</b>			
Benefits paid to participants or beneficiaries	369,103	6,827	64,418
Medical, dental, and life insurance for retirees	-	3,116	26,030
Refunds and transfers to other systems	69	-	-
Administrative expense	6,460	266	353
Transfers to other funds	-	-	-
Total Deductions	375,632	10,209	90,801
Net increase (decrease)	(339,015)	(17,962)	(149,598)
Net assets held in trust for pension, postemployment health-care, and other employee benefits - Beginning of fiscal year	3,088,761	158,393	1,035,929
Net assets held in trust for pension, postemployment health-care, and other employee benefits - End of fiscal year	\$ 2,749,746	\$ 140,431	\$ 886,331
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ (18,914)	\$ (150,219)
Net increase (decrease) in assets held in trust for postemployment benefits	-	952	621
Net increase (decrease) in assets held in trust for other employee benefits	(339,015)	-	-
Total net increase (decrease)	\$ (339,015)	\$ (17,962)	\$ (149,598)

**Michigan**

STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS  SEPTEMBER 30, 2002
\$ 179,559	\$ 456,381	\$ 3,220	\$ 17,499	\$ 838,473
345,217	1,208,577	-	43,549	1,648,189
-	-	-	-	3,047
(1,203,600)	(4,437,288)	(32,507)	(32,657)	(6,112,343)
215,800	777,908	6,715	7,078	1,148,498
9,532	34,609	229	-	45,413
17,984	64,022	251	-	84,620
7,638	27,733	184	-	36,390
(1,003,891)	(3,716,526)	(25,998)	(25,579)	(5,039,443)
-	128	100	59	2,097
(479,114)	(2,051,440)	(22,678)	35,528	(2,547,637)
503,454	2,041,440	15,810	13,119	3,014,171
278,998	513,172	520	-	821,835
18	20,881	53	1	21,022
6,418	68,383	405	1,123	83,408
15	81	-	-	97
788,903	2,643,957	16,787	14,243	3,940,533
(1,268,018)	(4,695,397)	(39,465)	21,285	(6,488,170)
9,639,544	35,023,228	274,226	313,943	49,534,024
\$ 8,371,526	\$ 30,327,831	\$ 234,760	\$ 335,228	\$ 43,045,854
\$ (1,342,405)	\$ (4,802,193)	\$ (39,409)	\$ 21,285	\$ (6,331,854)
74,387	106,796	(57)	-	182,699
-	-	-	-	(339,015)
\$ (1,268,018)	\$ (4,695,397)	\$ (39,465)	\$ 21,285	\$ (6,488,170)

